

19  
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## Abstract

An exercise monitor including means to accurately record exercise performed by an insured individual and to generate data needed to calculate an insurance premium.

Included are the functions of verifying the person's identity, verifying that he or she is actually wearing the monitor, and allowing a user to self-report his or her encrypted data.

Insured clients use inexpensive exercise monitors like pedometers that encourage them to exercise. If a client wears the pedometer and it records results that meet given criteria, the insurance company gives him or her a discount on his or her insurance premium. In this way the insurance company provides an inducement for the insured to adopt a more healthy and active lifestyle. The invention includes a business system to control insurance premiums that enables the company to assume a dominant position with respect to its competitors.

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